GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:653
ANSWERED ON:03.03.2008
WITHDRAWAL OF SUBSIDY
Gaikwad Shri Eknath Mahadeo;Mane Smt. Nivedita;Yadav Shri Anirudh Prasad (Sadhu);Yaskhi Shri Madhu Goud

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether due to withdrawal of Government subsidy Landline rural telephone expansion programme of BSNL is likely to be discontinued;

(b) if so, the details thereof alongwith the reasons therefor; and

(c) the manner in which the Government proposes to provide telephone facility to poor rural people?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHMAD)

(a) & (b) Sir, BSNL is fulfilling various social obligations of Government and has to operate in loss making rural areas. Earlier, BSNL was getting recoupments through various financial subsidies and assistances, such as Access Deficit Charges (ADC) levy, reimbursement of licence fee etc. for discharging the social obligations of Government. Now TRAI has declared to phase out the ADC from 1st April, 2008 onward.The reimbursement of licence fee by Government has already been stopped to BSNL from 2006-07 onwards.Further, BSNL has received only Rs.4650 crores from Universal Service Obligation Fund (USOF) during 2002-07 whereas it has contributed Rs.8031 crores towards USOF. BSNL, thus, is net contributor to USOF though it is the main provider of telecom services in Rural areas.

Due to withdrawal of various subsidies as above and net contribution to USO Fund, the existing rural landlines connections of BSNL are becoming unsustainable.This may also adversely impact the landline rural expansion programme of BSNL.

(c) The details of various projects undertaken by the Government funded by Universal Service Obligation Fund (USOF) are given below:

(i) USOF support for provision of Village Public Telephones (VPTs) in unconnected villages in the country.

(ii) Provision of subsidy support for provision of Rural Direct Exchange Lines(RDELs) in 1685 commercially unviable Short Distance Charging Areas(SDCAs).

(iii) Provision of subsidy support for Rural Community Phones (RCPs) in villages with population more than 2000 and where there are no Public Call Offices(PCOs).

(iv) Subsidy support for the innovative scheme of sharing of infrastructure by USO Fund to set up 7,871 number of infrastructure sites (in 500 districts) spread over 27 states for provision of mobile services in the specified rural and remote areas,where there is no existing fixed wireless or mobile coverage.

(v) Subsidy support to nearly 90.5 lakh RDELs installed piror to 1.4.2002 towards the rental differential between the Telecom Regulatory Authority of India (TRAI) prescribed rental and the rental charged by the service provider for a limited period of 1.4.2002 to 31.1.2004.